

INDONESIA

Abdullah Hehamahua

Corruption Eradication Commission
abdullah.hehamahua@yahoo.com

ABSTRACT

The objective of this research was to obtain a comprehensive understanding of what, why, and how, the programs and performances which ideally need to be directed by integrity and professionalism are actually handled by the human resource management in the Corruption Eradication Commission (CEC). The qualitative approach to conduct the case study collected the data through a participant observation procedure, and triangulated with interviews with key informants, document analysis, and recordings. The study found that (1) the planning of the human resource, including the recruitment and selection process, has been conducted to follow the highest standards applied in state institutions and government agencies in Indonesia; (2) CEC is conducting education, training, and development programs of its human resource to improve organizational performance; (3) CEC is the first state institution or government agency to use performance as the parameter for reward and punishment; (4) CEC is the first state institution and government agency to use a merit system in determining the salary; (5) the values of integrity and professionalism constitute are the basic principles to guide the corporate culture of the auditors of CEC. The findings indicate the need to improve the recruitment and selection process, to establish the standards of performance, evaluation and career management in all the units, and to continue the Coaching, mentoring, and Counseling (CMC) program to maintain integrity and professionalism of the whole body of the human resource of the CEC.

Keywords: human resource management, performance, integrity, professionalism.

Indonesia is currently facing serious corruption issues. Corruption is an extraordinary crime because its effects can disrupt the national economic plan, impede the national development, undermine public services and destroy the image of Indonesia as a religious nation (Pasiak, T., 2012). Indonesia identifies two common factors leading to the act of corruption, "intention" and "opportunity". Intention is directly related to the quality of the (HR) either civil servants, legislators and private employees. Opportunity is directly related to the chance of the HR (Armstrong M, 2009; Noe, A et al, 2010; Dessler, G, 2010; Mathis, L. R, 2011).

As far as corruption is concerned, Indonesian bureaucrats are deemed to be in a critical situation. According to a survey by Transparency International Indonesia (2011), Indonesia ranks the second worst in Asia in public services and is one of the most corrupt countries in the world. These data indicate how frail the management of government organizations and institutions are. Not surprisingly corruption spreads rife throughout the Ministry/State Agencies as well as private organizations. This is confirmed by the Corruption Eradication Commission (CEC), that 64% of corruptors arrested by CEC were civil servants and State Administrators. In addition, 70% of corruption cases handled by CEC, police and attorney institution, among others, were related to the procurement of goods and services. The situation

implies that the eradication of corruption in Indonesia requires overall improvement on the quality of civil servants and human resource (hereafter, HR) management.

CEC was formed because the existing law enforcement agencies were not able to carry out their task as what they were supposed to do. According to Law no. 30/2002, one of the five tasks of CEC is to restore the administration system of Ministry/State Agencies, both with regard to the quality of the staff and the management of its HR. Hence, the HR management of CEC should first be designed to be the role model (Daft, L.R, 2010; Jacson, E.S et al, 2011; Sikula, E. A, 1981).

The fact shows that although CEC has several weaknesses and limitations, it is able to achieve significant achievements. Among others, all corruption cases handled by CEC were successfully solved. 159.9 trillion of Indonesian's *Rupiah* was able to be saved, (data for 2010) CEC also obtained an unqualified for its financial audit and always scores A for its Performance Report of Government Institution. Apart from the above significant achievements, currently there are cases of ethical violation. Since 2009, the performance of CEC staffs has declined, particularly related to the financial management. These inclinations have violated the highly valued professionalism of CEC personels and the institution in general. This study aims to examine the integrity and professionalism in the management of the human resource in CEC.

According to Dessler (2010), HR management can be defined as the process of acquiring, training, accessing and providing compensation to employees as well as monitoring the work related health, safety and justice issues of the employees. The functions of HR management according to many experts, including Dessler (2010) include planning, recruitment and selection of the HR, education, training and development of the HR, and management of performance, compensation, employees relationship, layoff, and audit of the HR. Theoretically, there are nine pillars of the functions of HR management, but only five pillars will be the focus of this study, hence the sub-topics discussed in this article.

According to Daft (2010), planning of HR is the estimated need for human resource and alteration of individuals with the acquired jobs. Recruitment according to Armstrong (2009) is the process of finding and engaging the right people and the organization needs. Noe (2010) defines selection as the process by which companies decide who will or will not be allowed into organizations.

According to Rivai (2009), education and training are related to the process of acquiring and improving skills outside the education system that occurs in a relatively short time with the method that emphasizes on practical in comparison to theory. Training of employees according to Lewis, Goodman, and Fandt (2004) is a planned effort to assist employees in learning job/related behaviors that will improve their performance. Whereas development of employees according to Mathis and Jackson (2011) is the efforts to enhance the ability of employees to handle various tasks and to improve the capabilities beyond what are required by the current job.

Performance management, according to Jackson, Schuler, and Werner (2004), include activities aimed at improving the long term competence of the employees to anticipate the future needs of the company. In Armstrong's (2009) view, compensation is part of the total reward which comprises of total remuneration and non-financial intrinsic rewards. And, according HR audit is "a 27-item check list evaluating all aspects of HR management within a company".

In the HR audit at CEC, integrity and professionalism are the two pillars to be particularly focused in the auditing process. This is because integrity according to Gostick (2003) is a strong adherence to the code, in particular the values of responsibility, keeping promises, care for the greater good, and consistence. While professionalism is the behavior, expertise or the quality of a professional.

METHOD

This research was conducted at the CEC office on Jl. H. Rasuna Said Kav. 1C, Kuningan, South Jakarta, on 7th floor of the SOE Building on Jl. Merdeka Square, Central Jakarta, and on the 2nd floor of the UPINDO Building on Jln. H. Rasuna Said, South Jakarta, from December 2011 to December 2012. The procedure consisted of several stages: (a) determining of the object to be studied (b) determining the focus and sub-focus to be studied (c) developing the research instruments (d) conducting preliminary observations (e) conducting actual field observations (f) conducting in-depth interviews with 15 key informants (g) summarizing the results of the study to check the validity of the data and information obtained (h) presenting the findings (i) formulating of conclusions and recommendations derived from these research.

Two kinds of data used in this study: primary data and secondary data. The primary data was obtained through observation and monitoring of the behavior of CEC employees. This observation was conducted continuously throughout the year to ensure that the behavior is permanent. The in-depth interviews with key informants provided a lot of useful information for the study.

The validity of the secondary data was verified by testing the credibility, transferability, dependability, conformability of the data and also by triangulation. The secondary data such as those from books and articles were verified for their validity and reliability. And final, the stage was determining the answers to the research questions and proposing recommendations.

RESULTS

1. Planning, Recruitment, and Selection of HR

The planning of HR at CEC is derived from the vision, mission and strategy of the CEC in order to provide suitable HR for the proper positions at the required time. HR planning begins with the preparation of Workload Analysis to find out the number and the required qualifications of employees needed for the positions for the financial budget planning. As far as HR planning is concerned, there are methods that serve to facilitate the activities to design the organization's systems, business processes, manuals, guidelines, workflows, regulation of employees, codes of conduct, basic values, long term working plan and strategy of HR.

The recruitment and selection system of employees of the CEC employees is one of the best in Indonesia. The deployment of experienced providers who have formal qualifications as tenders and no history of corruption can guarantee that the selected employees are only individuals with high integrity and professionalism, and the levels of IQ, EQ, SQ, PQ, and AQ being above average.

However, the problems with ethical violations proved to interfere negatively with the planning, recruitment, and selection process of the employees. The existing flaws can be derived from the negligence of immediate supervisors in overseeing the subordinates who implemented the code of ethics, the SOP, and the Civil Service Rules of CEC. Structural officials, too, when submitting a request for new employees to the Bureau of HR, do not provide detailed work specification/positions. As a consequence, the new employees feel that their positions are not what they actually wanted. In addition, the tools used in the process of recruitment and selection are not able to fully measure the candidates' characteristics. Consequently, there are chances when supervision is weak, certain employees are easily tempted to do improper practices.

2. Education, Training and Development of HR

Formal education programs such as scholarships to take the Master's degree, especially at universities overseas, can only be used by a limited number of employees. This is because of the strict requirements for the scholarships. The number of employees who can make use of the available training programs is also limited because of the small size of HR in each unit.

However, despite the small number of employees who have taken further education and trainings, upon completing their programs, they have proved to make significant changes in the overall performance of their respective units. This is evident from the fact that most officers of echelon one, echelon two, and echelon three are made up of the internal staff of CEC themselves. The career advancement is also supported in the CEC. Some officials and employees of the CEC have been trusted to occupy certain positions with echelons in some ministries and state-owned enterprises.

3. Performance Management

At CEC individuals' performance serves as a parameter to determine the allowance for incentive, yearly bonus and promotion of staffs. However, there are employees at several units who are disappointed with the value given to their performance because of the evaluation system which they think is unfair. This is because the performance evaluation methods in each unit have not been standardized.

The HR bureau of the CEC applies a forced rank method, which does not easily give an A value to many employees in every unit despite their high-level performance.

A number of significant achievements of the CEC include, among others: (i) the retrieval of Rp 152,9 trilyun from the oil and gas sector in 2010, (ii) as a result of coordination with and supervision by the CEC, almost all Ministry/State Agencies and local governments have implemented corruption prevention programs, including the establishment of an Civil Servant Performance Reports (CSPR) and a gratification unit, and the establishment of an Anti-Corruption Initiative Program, or by the signing the Integrity Pact. In the area of law enforcement, all corruption cases handled at the Corruption Court have ended with a guilty verdict.

4. Compensation

CEC is the first state institution in Indonesia that applies a compensation merit system, in which an employee is paid based on his/her competence, skills, performance and behavior. The amount of salary is determined by using the method of 3P—pay for person, pay for position and pay for performance.

Employees should pay their own income taxes. Initially, this policy created a “friction” between the civil servants employed by the CEC with the HR Bureau. The reason is that the personal income tax of the civil servants at other government agencies and institutions is paid by the government.

The chairman, advisory, and employees of the CEC will not acquire a monthly pension upon completion of their work at CEC. Unlike the other retired civil servants who receive monthly pension in their retirement, the CEC employees will only receive old age benefits which is a component of their monthly salary deducted and deposited directly to their bank account. The component is made up of 2% of the basic salary paid by the employee and 5.7% is paid by the government. It can be drawn only after the employee has retired from the CEC.

5. HR Audit

In addition to the financial audits, the Internal Control also performs financial inspection in all units. In 2010, one employee was discovered to use the remaining money for an official travel for personal matters. The employee was fired, had to return the money and reported to the Police for further processing in the Corruption Court at Jakarta.

The monitoring and inspection performed by Internal Control is reported in CEC financial reports that must always have a WTP Reasonable Without Exception status and score A in the LAKIP.

The CEC has its own set of Employees’ Core Values consisting of 7 values: integrity, professionalism, innovation, transparency, productivity, leadership, and religiosity. The core values are operationalized in the form of Employee Codes of Conduct which includes obligations and prohibitions, of which the implementation is continuously supervised. One of the obligations is that the employees must implement the Code of Conduct 24 hours a day, both in relation to official duties and personal matters. One of the prohibitions is that the employees are not supposed to receive transportation and accommodation facilities, foods and drinks, as well as honorarium or souvenirs from the organizer of any official event with the CEC.

As the first and primary value, integrity is a basic requirement for one to be admitted as an employee at the CEC. Integrity itself consists of six components: honesty, consistence, commitment to the vision and mission of CEC, objectiveness, readiness to make decisions and readiness to take risks, discipline and responsibility. The employees’ integrity in their jobs is continuously monitored through IT-based infrastructure. Integrity is also promoted through spiritual coaching and activities, motivational programs, and discipline enforcement based on the principle of zero tolerance. Spiritual activities include short religion lessons three times a week, Friday sermons, tarawih prayers in the office, religious message (tausiah) columns, and internal motivation by e-mail messages from the Adviser of the CEC, and also a study of the hadith at the CEC. For Christian employees, meetings with a pastor is held every Friday. Integrity is also part of the curriculum of the 9-hour induction program referred to as Personal Core Values of the CEC Employees.

Many officers are threatened and intimidated, either by SMS or telephone as well as by placing superstitious offerings around the CEC building so as not to process a particular case. Some CEC employees have even experienced planned traffic accidents and undergone serious medical operations.

Although there is a rigorous selection process and enforcement of the zero tolerance principle in the basic Codes of Conduct, SOP, and Civil Service Rules, ten cases of ethical violations have occurred within the span of ten years (involving 0.01% of all employees at the CEC). Four people have been fired; two employees got punishment, three employees were given a Final Warning Letter, and one employee was required to pay the telephone bill for using the phone at the CEC office for personal matters. The possible reasons for the ethical violations can be the absence of a special program to prevent employees from violating the Code of Conduct set up by the PI. Another possible reason is the unwillingness of some structural officers to conduct intensive monitoring nor a CMC over their subordinates with poor integrity.

DISCUSSION

1. Function and Objective of HR Management

According to Sikula (1981: 145), HR management includes the operational tasks to implement the management functions in general. Such tasks include procurement, development, compensation, and integration. Four purposes of HR that can support the vision and mission of an organization include (a) the organizational purpose to achieve the vision, mission, strategy, and organizational targets. (b) the functional purpose to properly implement the HR management functions, (c) the social purpose to benefit the local community, and (d) the personal purpose to proportionally fulfil the interests of the employees.

2. Management of HR with Integrity and Professional

Management is to be implemented on the basis of integrity values. Planning is organized on the basis of the values of honesty, consistency, commitment, objective, bravery, discipline, and responsibility. Thus, the plan is said to be holistic if it includes the total interests of the organization and the needs of employees, managers, and the community. It also covers the material and spiritual aspects of this world and the afterlife in the form of spiritual intelligence. This is because, according to Pasiak (2012), "spiritual intelligence gave birth to morality, something which is related to the goodness, beauty, pleasure as opposed to ugliness, ugliness, and hatred." The implementation of the working plan is not in contrary with the regulations, controlled by a strong leadership, and the process is controlled not by the interests of other parties but according to the regulations.

The planning, execution, control, and process control activities of an organization are to be done professionally. Arikunto (1993) states that professionalism requires intellectual, responsible, dedicated, and scientific functioning of the staff. Planning is preceded by a survey so that the data used as the basis to make the the planning is valid, significant, and up to date. The implementation of each program is supported by staff with extensive knowledge, qualified competencies, high skills, literacy in information technology, and noble

characters. The organization is controlled efficiently and effectively under strong leadership and authority, in accordance with the existing SOPs so as to put the interests of the organization and the community above personal or group interests.

Integrity includes honesty, commitment, consistency, objectiveness, bravery, discipline and responsibility. Employees, line managers, and top management with high integrity are those individuals with an EQ above average, high morale, commitment to the vision and mission of the organization and always being objective, brave, disciplined and responsible in carrying out their jobs. They also have an SQ above average, as indicated by (i) diligence in carrying out the religions' rituals, (ii) honesty and trustworthiness in carrying out the organizational tasks, (iii) caring for others as manifested in the form of regulations and policies in favor of employees or the general public, and (iv) helpful to those in need by providing lessons, advice and transformation of knowledge and experience.

Professional HR are individuals who have an IQ above average, as indicated by (a) extensive knowledge and commitment continuously update it, either through formal, non-formal, or informal education related to the field of work, (b) qualified competence in the form of strategic, effective and efficient activities, and (c) high-level skills in completing every tasks properly, efficiently, and effectively.

CONCLUSION

The planning of human resource management at the CEC, if improved, can be a role model for the development of HR management by K/Ls so that the realization of bureaucracy reformation in Indonesia can be accelerated. This is because the staff of the CEC who have been selected through the recruitment and selection process are highly integrated and professional individuals with IQ, EQ, SQ, PQ and AQ above average.

Staffs with high integrity and professional, known as Warrior of Corruption Eradication is the target to be achieved in the education, training, and development of HR Management Programs of the CEC. These programs are expected to be implemented at other K/Ls.

Strategic steps are to be carried out by the HR and management bureau, in collaboration with the Directorate of Education & Society Services, Research & Development, and the Department of State Apparatus & Bureaucratic Reform in the forms of education and training of civil servants to create warriors of corruption eradication at their respective institutions.

The performance management of the CEC can be inferred from It can also be evaluated annually with a balanced score card approach (BSC) that results in good performance.

The audit system of HR at the CEC incorporates the financial audit of the entire units as well as the audit on the implementation of HR management function based on the values of integrity and professionalism. These two components are created, fostered, and developed with the help of the IT infrastructure, direct supervision in the socialization and discussion group forum activities, and spiritual guidance and religious activities.

At the CEC, the compensation system applied has been applied for the first time in the state institutions of Indonesia. By applying a merit system the employees

are rewarded proportionally according to the size of the workload, the individuals' competence—of hard and soft types, and the performance. The amount of salary is determined on the basis of the principle of 3P—pay for position, pay for person and pay for performance.

However, a number weaknesses are still lingering in the management of the CEC. This can be seen from the low scores given by the staff towards the performance variable obtained through different methods applied in different units, in addition to the application of forced rank method.

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